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The Agricultural Situation

General

Businessmen are optimistic as the nation nears the end of the first quarter of 1956.

The rapid upswing during the latter portion of 1955, checked by the adjustments in the auto and home building industries, is now developing into a period of stability. The downturn in auto and home building industries is being checked by offsetting activity in other sections of the economy.

The auto industry has reduced overtime and Saturday work in order to bring production in line with sales which are up 6 percent over January estimates.

The small amount of steel released by the automotive industry was eagerly sought by other durables industries operating under a backlog of orders.

New plant and equipment expenditures are estimated at 35 billion—6 billion more than in 1955. All major non-durable industries expect the increased expenditures to go towards expansion rather than replacement.

With personal income nearly stable from November through January, sales in retail stores during January and February averaged below the fourth quarter rate. This is, in part, a reflection of the reduction in consumer credit outstanding; down one percent from December to January.

Employment suffered a seasonal decline of 0.3 million from January to February leaving total employment at 62.6 million.

Farmer Prices and Income

Prices received by farmers for all products during February were down 7.4 percent from a year ago with increases in tobacco, fruit and dairy products insufficient to compensate for the decline in other crops and livestock and livestock products. Greatest price declines occurred in wool, meat animals and feed grains.

Prices paid by farmers in February were also down from a year ago but only 1.1 percent. Greatest changes occurred through a decrease of 12.9 percent in livestock prices, 10.3 percent decrease in feed prices and an increase of 11.8 percent in interest rates.

Cash receipts from the sale of agricultural products amounted to $4.1 billion. Receipts from livestock and livestock products amounting to $2.3 billion and crop receipts of $1.8 billion were both down 5 percent from a year ago due to lower average prices.—**John Franzmann.**

Crops

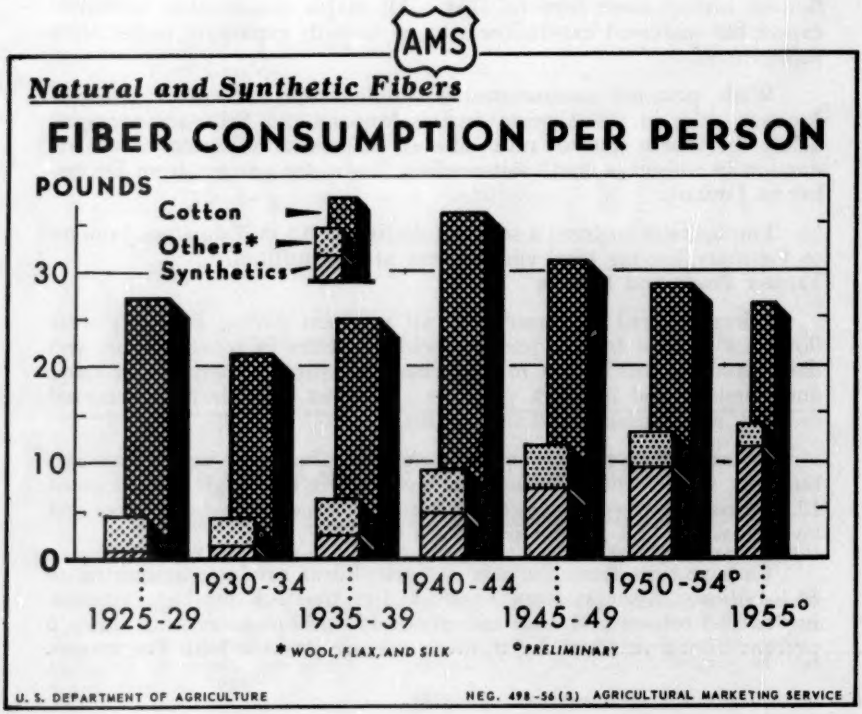
Cotton

Cotton consumption ranged from 20 to 30 pounds per person before World War II then increased sharply during the war years. Since the end of World War II, the consumption of cotton has been declining while the consumption of synthetics has been increasing (Figure 1). In 1955, the downward trend for cotton was reversed and cotton consumption increased one pound to reach 26.5 pounds per person. This compares with consumption of other natural fibers (wool, flax and silk) of 2.6 pounds and consumption of synthetics of a record 11.2 pounds per person.

Cotton consumption has continued high in 1956 and the ratio of stocks and unfilled orders is high. At current rates, mill consumption should total about 9.2 million bales for the 1956 season.

Exports of cotton are running less than expected. Total exports may not reach 2.0 million bales even though government financing is

Figure 1



available for about 2.9 million bales. Current expectations are for exports of about 1.5 million bales under various government programs with an additional 0.3 to 0.5 million bales exported through regular channels. Some of the decline in exports can be attributed to waiting for expected lower prices under the Secretary of Agriculture's announced program of selling upland cotton at world market prices during the 1956-57 season.

Stocks of cotton held by CCC are now declining after reaching a high of 14.2 million bales in January. Stocks were down to 13.4 million bales on March 9. Only a slight reduction in these stocks is expected from now until August 1.*

The price of cotton has been moving up seasonally since large quantities of the current crop were placed under the loan. The average 14 spot market price reached 35.57 cents on March 23 for middling 15/16 inch cotton. This is 3 cents more than the seasonal low in October and 2 cents above the price a year ago. The comparable loan rate is 33.75 cents per pound.—**Leo V. Blakley.**

Wheat**

Supplies

Total supplies of wheat for the 1955-56 marketing year are now estimated at 1,964 million bushels. If domestic disappearance totals about 625 million bushels, as now estimated, and 275 million are exported, a carryover on July 1, 1956 of around 1,065 million bushels is indicated. This would be about 40 million bushels above stocks last July 1, and represents a considerable slowing down in the accumulation of stocks. The carryover in 1956 will again be largely owned and controlled by CCC as it was in July 1, 1955 when CCC owned 976 million bushels.

The smaller increase in carryover this year reflects some further reduction in acreage under the acreage allotment and marketing quota programs. The total acreage seeded dropped from 62.6 million acres to 58.3 million in 1955. On a harvested acreage basis, the decline was from 54.3 million to 47.2 million. The effect of the drop in acreage was partly offset by higher yields, which rose from 15.7 bushels to 16.1 bushels on a seeded-acre basis, and from 18.1 bushels to 19.9 bushels on a harvested basis.

Strength in wheat prices, in the face of the largest supplies in our history, is due to effects of the support programs. With present "free" supplies less limited than a year ago, cash prices may not advance much further before the downward adjustment to new crop conditions starts. This adjustment usually takes place about the middle of May. Variations in weather conditions at this time of the year may have an important effect on prices.

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* *The Cotton Situation*, AMS, USDA, March 1956 p. 3.
** Summarized from *The Wheat Situation*, AMS, USDA, February 28, 1956.

Based on conditions the first of December, the 1956 winter wheat crop was indicated at 735 million bushels. This is 4 percent greater than the 1955 crop of 705 million bushels but 15 percent less than average.

If the same acreage is seeded to spring wheat as in 1955 and average yields are obtained, a spring wheat crop of about 190 million bushels would be produced. This, together with the 735 million indicated for winter wheat, would indicate a crop of about 925 million bushels. This is slightly in excess of the 900 million-bushel disappearance estimated for 1955-56. If proposed legislation such as the soil-bank plan is enacted in sufficient time to affect the 1956 acreage, it would be possible to reduce production below disappearance and make a reduction in carryover possible.

Price

Cash wheat prices continue generally around the high of the season to date. On February 20 the price of No. 2 Hard Red Winter Wheat, ordinary protein, at Kansas City was $2.20 and No. 2 Soft Red Winter at St. Louis was $2.27. These were both at the highest levels of the marketing year to date. Prices have advanced 16 cents at Kansas City, 13 cents at Minneapolis, 38 cents at St. Louis, and 7 cents at Portland above the lows of the current season. The average price received by farmers in mid-January was $1.95, the same as a month earlier, but 19 cents below a year earlier reflecting the 16 cents per bushel lower support price.—**Carl Shafer.**

Feed

Feed Grains

A slight decrease in the total acreage of feed grains is in prospect for 1956. Based on farmers' March 1 intentions, acreage will be reduced 3.5 percent for corn, 4 percent for oats and 8 percent for barley. Grain sorghum acreage will remain about the same as in 1955. Based on these indcations the total feed grain acreage will be about 152 million acres, 6 million less than in 1955 but still about 4 million above the 1945-54 average.

No prediction is made as to production for 1956 but if 1949-54 average yields by states are applied to these prospective acreages, 1956 feed grain production would total about 121 million tons. This would be 9 million tons less than the 1955 crop but still slightly above the average for recent years.

Production for 1956 plus carryover (44 million tons) plus other grains and by-product feeds (27 million tons) would give a total supply of feed concentrates of about 192 million tons. This would be only 4 percent less than the 1955 supply but 11 percent above the 1949-54 average. If the number of grain consuming livestock continue in 1956-57 at near the 1955-56 level of 171 million, the supply of feed concentrates per animal units would be 3 percent below the record supply this year, but still larger than in any previous year.

Soybeans and Cottonseed

Prospects are for a record soybean acreage in 1956 of 21.8 million acres which is 2 million acres larger than in 1955. If this acreage is planted and if a normal percentage is harvested for beans, the average 1950-54 yields would produce 410 million bushels, about 40 million above the record 1955 crop. This would give a large supply of beans for crushing and another large supply of oilmeal for the 1956-57 feeding season.

There will be no indication of cotton acreages until July. However, the quantity of cotton seed oil and meal could be lower because of the 4 percent decrease in cotton acreage allotments and the possibility that yields per acre may not equal yast year's record.

Hay

March 1 reports indicate that farmers and ranchers will harvest 74.3 million acres of hay in 1956, slightly more than either the 1955 harvest or the 10 year average. With 1950-54 average yields this would produce 105.3 million tons of hay, nearly 4.5 million tons less than the record production of 1955 but about 3 million tons above the 10 year average.

Feed Prices

Market prices of feeds in the United States were comparatively stable during February and March but averaged around 15 to 20 percent lower than a year ago. Lower feed prices have resulted in more favorable feed-price ratios than a year ago. The main exception is the hog-corn price ratio.

According to the Oklahoma Crop Reporting service, average prices received by Oklahoma farmers for wheat and grain sorghums advanced slightly from mid-February to mid-March, while hay prices declined seasonally. Wheat at $2.04 per bushel was up 3¢ over February 15 but was 10 percent lower than a year ago. Grain sorghums at $1.80 per cwt. were up 5¢ over February 15 but 13 percent lower than a year ago. The average prices of $23.80 per ton received for alfalfa hay and $15.00 for prairie hay were down from February and were sharply below the prices in March of 1955.—**John Meek.**

Livestock and Livestock Situation

Beef Cattle

Cattle Numbers

On January 1, 1956 the number of cattle and calves on farms and ranches reached a new high of 97½ million head. This is an increase of almost 1 million during 1955.

Beef calves and steers accounted for most of the gain in cattle numbers. Breeding stock on farms on January 1 was almost exactly the same

as a year earlier while replacement stock was slightly lower. Total cow numbers were unchanged as a small decline in milk cows was equalled by a small rise in beef cow numbers on farms. Relative stability in size of breeding herds suggests that cattle numbers and production will level out in the next year or so. However, the potential for rapid growth is still present and could develop if conditions change.

The productivity of breeding herds has increased during recent years. The calf crop during 1955 was 88 percent of the number of mature cows and heifers on farms and ranches on January 1. However, the number of first calf heifers was not considered in computing this percentage. This high level of productivity per breeding unit has been responsible for the increase in inventory over the past two years since cattle and calf slaughter has increased faster than the number of cows in herds.

Rank of Oklahoma Among States in Livestock Numbers

The rank of states according to livestock numbers changed little during the period 1950-56. However, Oklahoma dropped from tenth to eleventh in rank of all cattle and calves on farms but held the number eight spot for beef cattle and calves and was fifth in beef cows 2 years and over. Also, Oklahoma was 19th in milk cows, 2 years and over, and 30th in all sheep and lambs.

Slaughter Supplies

A record slaughter is in prospect for 1956. Many of the increased numbers of beef calves (up 2 percent) and steers (up 14 percent) will go to slaughter this year. The number of cattle on feed on January 1 was up 1 percent to a new record. Six percent more steers and 12 percent more heifers were on feed than last year but 20 percent fewer calves were on feed. Thus, more of the cattle on feed this year are long fed steers of heavy weights. In January, 33 percent more slaughter steers were received in 7 markets than in the same month last year.. Furthermore, there was a 49 percent increase in choice and prime grade and a 40 pound heavier average weight for all receipts.

In 1956, fed cattle likely will not be carried to as heavy weights or be as highly finished as in 1955. Also, more cattle may be slaughtered directly off grass. Thus, supplies of cattle in intermediate grades likely will be higher than last year. This would suggest that the price spread between grades will be noticeably wider than the very narrow margins prevailing during 1955. The relationship will be especially marked after mid-year.

Marketing Margins

Average marketing margins on beef for 1955 as a whole rose to new highs. Moreover, they increased during the year and were considerably higher in the last quarter than the first. The farm-to-retail margin for choice beef in 1955 advanced to 25.6 cents per retail pound ex-

Table 1.—Average Retail Price, Marketing Margin, Farm Value, and Farmer's Share for Choice Beef 1947-1955

Year	Retail Price Per Pound Cents	Marketing Margin Cents	Net Farm Value[1] Cents	Farmer's Share Percent
1947	61.8	17.6	44.2	72
1948	75.3	22.3	53.0	70
1949	68.4	20.2	48.2	70
1950	75.4	21.3	54.1	72
1951[2]	88.2	22.4	65.8	75
1952[2]	86.6	24.1	62.5	72
1953[2]	69.1	25.3	43.8	63
1954[2]	68.5	24.3	44.2	65
1955[2]	67.7	25.6	42.1	62

[1] Farm value of live animal of weight and grade necessary to produce 1 pound of meat products at retail minus computed value of by-products. The standard factor is 2.16 pounds for Choice grade beef (estimated premiums for Choice grade over average price of all beef cattle vary by years).
[2] Revised.
SOURCE: *The Livestock and Meat Situation* AMS, USDA, March 2, 1956.

ceeding the previous high of 25.3 cents in 1953 (Table 1). The farmers share was 62 percent of the retail price.

This marketing margin is essentially the difference between the price of the meat at retail and the price of live animals to the producer. It is adjusted for the estimated value of products other than meat obtained from slaughter and represents the portion of the retail price that goes to all marketing, processing and distribution agencies. Commonly, prices at retail are slower to change than those of live animals. Thus, changes in margins have particular importance to producers because their widening usually comes at a time of big supplies and low prices which aggravates price instability at the producer level.

Beef Consumption

Beef consumption per person during 1956 is forecast at 82 pounds. This will be one pound more than last year's record and compares with 60.8 pounds in 1946 (Table 2). Most of the increase in the beef supply will be in the first half of the year and will consist of fed beef of the higher grades and heavier weights. Less highly finished beef is expected to be produced in the second half of 1956 as compared with last year.

In the last several years consumers have not increased their spending on meat and, since incomes have increased, the percent of income spent on meat has decreased. The percentage, which increased to 6.6 percent in 1947, was only 5.6 percent in 1951, and had decreased to about 5.2 percent in 1955. A shift in meat consumption habits had also occurred. Consumers with higher incomes tend to substitute more beef for pork, consumers have expressed a growing distaste for fat, and finally population has shifted from the pork eating rural areas to the beef eating urban areas.

Table 2.—Beef Production and Consumption in the United States, 1946-1955

Year	Production (1,000 pounds)	Consumption	
		Total (1,000 pounds)	Per Capita (pounds)
1946	9,373	8,533	60.8
1947	10,432	9,916	68.6
1948	9,075	9,163	62.3
1949	9,439	9,439	63.1
1950	9,538	9,533	62.6
1951	8,843	8,478	55.3
1952	9,667	9,565	61.5
1953	12,433	12,139	76.7
1954	12,991	12,765	79.2
1955[1]	13,615	13,360	81.2

[1] Preliminary
SOURCE: *The Livestock and Meat Situation*, AMS, USDA, March 2, 1956.

Recent occurrences seem to suggest that the demand for beef is relatively independent of the demand for pork and other meats. Thus, recent large supplies of pork at relatively low prices have had little, if any, depressing effects on the demand for beef. Furthermore, since the trend is toward urbanization, more sedentary rural and urban occupations, and higher consumer incomes, the demand for beef is expected to increase relative to pork.

Oklahoma Receipts and Conditions

The March 15 survey of prices received by Oklahoma livestock farmers indicated little change from February 15. The March 15 average of $13.50 for all cattle was $1.50 below March a year ago but was the same as February's price. Calves advanced only 10 cents a hundred from the preceding month's price of $16.00 and were $1.20 below the $17.30 average prices of March 15, 1955.

Cattle receipts at the Oklahoma City Stockyards amounted to 58,695 during March which was 10,004 head more than March, 1955. Calves marketed at the stockyards during March amounted to 4,682 head. This was 1,373 head less than those marketed in March of last year.

The total number of cattle slaughtered in the state in January and February amounted to 69,000 head with a live weight of 55,720,000 pounds. This was 1,000 head more than were slaughtered during the same period in 1955. Calf slaughter was down 800 head for January-February in comparison with last year with only 25,900 being slaughtered. This represented a total live weight of 12,479,000 pounds. The average live weight of slaughtered cattle was 825 pounds, and of slaughtered calves was 484 pounds during February. These weights were heavier for both cattle (31 pounds more per head) and calves (15 pounds more per head) in comparison with the same month last year.

According to the Oklahoma Weekly Crop and Weather Bulletin, April 3, 1956, cattle and calves generally are in good condition but supplemental feeding continues in some areas where lack of moisture has delayed the growth of grass. Stock ponds are getting low in many northeastern and south-central counties. There was some run-off from showers during the week which has improved the water situation in portions of the central area. Grass is making good growth in the southeastern area where moisture conditions are favorable. Recent showers will greatly improve prospects for early grass in other areas. Pastures are in poor condition in the northwestern area.—**Hugh Winn and James S. Plaxico.**

Dairy

Larger daily supplies of milk were produced in March than in February for the United States. The increase averaged 25 million pounds per day and was well distributed with over one-half of the largest dairy states showing increases. The four largest producing states, (Wisconsin, Minnesota, California and Pennsylvania) had record high production for the month. March production in 1956 was 6 percent above one year earlier and 13 percent above the 1945-1954 average for the month.

Milk production in Kansas, Oklahoma, and Texas was below the 10-year average but was slightly above the 1955 production. In the Oklahoma City market the March 1956 daily production increased 5.72 percent over February and 8.59 percent over March a year ago.

Support prices for the fiscal year, April 1, 1956, to Mach 31, 1957, were announced on February 17, 1956. They were set at $3.15 per 100 pounds for 4% milk used in manufacturing and at 56.2 cents per pound for butterfat. These prices reflect about 82 percent of parity for manufacturing milk and 78 percent for butterfat. A recent press announcement (April 16) indicates that these supports will be raised about 10 cents per 100 pounds for milk and about 2 cents per pound for butterfat.

The Market Administrator for the Oklahoma City market announced a Uniform Price for March of $5.08 per cwt. for 4% base milk and a price for excess milk of $3.11 per cwt. At the same time the Class I price for April was announced as $5.117 per 100 pounds for 4% milk which was a drop in price of 21.4 cents per cwt. below February. The decline was due to: (1) a basic formula price drop of 4.4 cents; (2) a seasonal Class I differential drop of 20 cents per 100 pounds; and (3) an increase in the supply-demand factor of 3 cents (adjustment from a minus 9 cents in February to minus 6 cents in March). Currently, handlers are making premium payments in the Oklahoma City market of 8.1 cents per 100 pounds for 4% milk used in Class I over the market order minimum price.

The "bright spot" in the supply picture for dairy products is the low cold storage holdings of butter. Storage stocks of cheese have also

been reduced some from one year ago but remain at 170 million pounds above the 5 year average. In general, production has been increasing faster than consumption. Improved feeding programs, higher producing cows, new cost-reducing or labor-saving techniques in production, storing and hauling of fluid milk are contributing to higher milk production.

In Oklahoma fluid milk producers generally are studying bulk cooling and hauling as a means of cutting costs of production and increasing market prices. At Chickasha all fluid milk coming to the market is bulk cooled and hauled. In the Oklahoma City market the producers' association started a program in May, 1955. By March, 1956, this program had expanded to over 130 producers. They supplied 2,800,000 pounds or 16.48 percent of the production in March, 1956. Producers in Stillwater, Tulsa, Enid and Ponca City are beginning to use the bulk system.

Some of the other developments affecting fluid milk marketing in Oklahoma are:

1. An application has been filed with the Secretary of Agriculture to consolidate into one federal order the Oklahoma City, Tulsa-Muskogee and Stillwater milksheds to meet supply problems of large distributors who bottle their own brand of milk from one plant and have area or state-wide distribution.
2. Retail milk prices at some chain stores in Oklahoma City have been reduced three cents per quart. Prices of one-half gallon and gallon jugs have also dropped.
3. Producers in many federal order milk markets have made application for hearings on price adjustments to the Secretary of Agriculture.—**A. W. Jacob.**

Hogs

United States

Hog numbers on farms January 1 this year were estimated at 55,088,000 head. This is 9 percent more than the revised estimate of 50,474,000 head on January 1, 1955 but slightly less than the 10 year (1946-1955) average. During the last 10 years, hog numbers reached a peak of 62,269,000 head on January 1, 1951, then dropped to a low of 45,114,000 head on January 1, 1954.

Slaughter for 1955 totaled 74,437,000 head. This was almost 15 percent larger than in 1954 and 15 percent larger than the 10 year average of 64,543,000 head killed.

Slaughter in January this year was 7 percent less than in December but 18 percent larger than the 6,850,000 head killed in January of 1955. While these figures may suggest some price improvement later on, hog producers should remember that the recent price squeeze in hogs has resulted both from large hog slaughter and from competition with beef and other meats.

Technical efficiency in marketing larger numbers of hogs per litter farrowed has increased tremendously in the last 10 years to give larger slaughter. Hog slaughter as a percent of total numbers on farms has almost doubled since 1945. In 1945, slaughter was only 69.0 percent of the number on farms January 1 of that year, but in 1955, slaughter was 147.5 percent of the number on farms the first of January.

If slaughter follows the ten year average seasonal pattern, April and May slaughter should drop below the January and February figures of about 7 million head; however, slaughter will likely remain considerably above the level of a year ago or the ten year average.

Hog prices during May and June should show some seasonal improvement if slaughter estimates materialize as expected. The seasonal high price is more likely to occur in July this year as compared with June a year ago.

Oklahoma

An estimated 463 thousand head of hogs were on farms in Oklahoma January 1 this year. This is 90 thousand head or 24 percent more than a year earlier but considerably below the ten year average of 608.6 thousand head.

The 1955 slaughter estimate of 850 thousand head was 227.9 percent of the number on farms January 1 last year. This suggests that large numbers of hogs are being shipped into Oklahoma for slaughter. Perhaps 1956 will reveal an even larger number slaughtered in Oklahoma if current production estimates materialize.

Hog prices have remained at fairly low average levels, although so far this year they have been above the United States prices. On January 15, Oklahoma hog prices were $11.30 per cwt. By February 15, prices had improved to $12.50 per cwt. but dropped on March 15 to $12.40 per cwt. Prices should improve seasonally in May or June although they are not expected to reach the $19.10 peak of June, 1955. The Oklahoma seasonal high price this year should be expected in July, which would follow the United States pattern very closely.—**Kenneth B. Boggs.**

Poultry

The outlook is for lower prices in all segments of the poultry industry. Egg prices likely will reach the seasonal low during the second quarter of the year instead of the third quarter. During the next three months hen prices are likely to decline from the 14.5 cent level which has prevailed throughout most of January, February and March. Broiler prices may continue at present levels of 21¢ or slightly lower.

The supply of eggs will increase during the next three months. The peak production period probably will be reached sooner than June. It is possible that May will prove to be the peak production month as a continual decline in egg prices will increase culling rates. Storage holdings are very low. However, movement into storage is not

expected to increase until prices reach a lower level for eggs. Storage holdings will not be increased beyond 1955 operations as operators are expecting a large increase in the number of layers this fall.

A larger percentage than usual of the current laying flock are old hens. However, chickens hatched for replacements the first 3 months of 1956 have exceeded the same period in 1955 by 20 percent. It is estimated that less than a 3 percent increase is needed to maintain flock numbers at the 1956 level. Culling therefore will be heavier which will depress hen prices.

Broiler production in the first three months of 1956 will be at least 25 percent greater than in the same months of 1955. The number of broiler chicks hatched was 109,154,000 in January and 112,194,000 in February of this year. This is an increase of 34 percent and 22 percent respectively over the same months in 1955. The number of eggs in incubators on March 1, was 23 percent larger than the previous March. Generally the latter are "on orders" and represent eventual placements in broiler houses. It should be pointed out that the market price has remained rather steady particularly in the Central markets. At Chicago broiler prices have fluctuated only one cent a pound during January, February and March. Supplies have increased 5 percent each month over the previous month. During the same period in 1955 broiler prices fluctuated from 21 to 36 cents per pound with prices in Northwest Arkansas reaching 32 cents. However, during last year supplies increased as much as 10 percent from one month to the next. A smaller seasonal increase in supply so far in 1956 should contribute greatly to stable broiler prices at a slightly lower level than at present.

Turkey producers are planning a considerable increase in production. Poults hatched by commercial hatcheries through the month of February were 68 percent greater than in 1955 for the heavy breeds. The light breeds which made up one-third of the 1955 crop have been reduced by 32 percent. This gives a substantial gain in the industry. All areas except New England are showing some gain in numbers. The greatest increase, however, has been in the Central States, in the South Atlantic States and in California. The South Atlantic group is the only region where the light breeds have been expanded.—**K. C. Davis.**

Sheep, Lambs and Wool

United States

The number of sheep and lambs on farms for the United States as of January 1, 1956, remained approximately the same as of January 1, 1955 according to figures released by the Agricultural Marketing service. It is expected that the gradual increase in number of sheep and lamb slaughter will continue during 1956. However, this could fail to become a reality if the rebuilding of sheep flocks begins this year. If the rebuilding does occur some ewe lambs and some of the aged ewes will be retained in the breeding herd and not marketed as in previous years.

Table 3.—Selected Statistics on Oklahoma Sheep, Lamb and Wool Production, 1949-1955.

Year	Sheep and Lambs (1,000 Head)	Lamb-Crop (1,000 Head)	Sheep Shorn (1,000 Head)	Wool Production (1,000 Lbs.)	Value of Wool Sales (1,000 Dollars)
1949	131	77	102	796	302
1950	145	71	106	954	467
1951	160	85	111	999	819
1952	181	83	116	963	414
1953	172	103	124	1,004	452
1954	233	121	158	1,343	604
1955	229	130	169	1,436	503
1956	257	---	---	----	---

Source: *Wool Production and Value of Sales, 1955*, Oklahoma Crop and Livestock Service, AMS, USDA, Oklahoma City, Oklahoma, March, 1956.

Prices of sheep and lambs, always sensitive to the supply of all meats, have increased seasonally and may continue to do so for the near future. However, big supplies of other meat animals will limit the price increase.

Wool production, shorn and pulled, in the United States in 1955 totaled 275 million pounds, according to the Crop Reporting board. This was 2 percent below the 1954 production. The total number of sheep shorn decreased by 1 percent from 1954 and pulled wool decreased by 4 percent which account for the 2 percent reduction.

The average price received by growers for wool was slightly lower for the 1955 crop. This lower price was the result of a larger world supply and the new method of support. The 1956 crop is expected to remain at the same approximate price as the 1955 crop since wool is to be supported at an incentive level of 62 cents per pound (erroneously reported as 65 cents in the February issue.)

Oklahoma

The trend in the number of sheep in Oklahoma has been contrary to the national trend, with Oklahoma sheep numbers increasing since 1949 (Table 3). On January 1, 1956 the number of sheep and lambs on farms reached 257,000 head which was almost double the number in 1949. Both the lamb crop and wool production reflect the larger numbers. The present trend indicates that the sheep industry is occupying an important position in diversification programs on many Oklahoma farms.

The decline in the value of wool sales in Oklahoma, as in the U. S., is caused by the larger world supply of wool and the different form of incentive payments. Oklahoma wool production per animal compares favorably with the national average. The national average for 1955 was 8.54 pounds and Oklahoma's weight per fleece was 8.5 pounds.—**Walter Rogers.**

Table 1.—Prices Received by Farmers for Oklahoma Farm Products.
(Dollars)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghum	Cotton-lint	Cotton-seed	Sweet potatoes	Soybeans	Peanuts	Alfalfa seed
1954		2.12	1.50	.81	1.09	1.18	1.27	.304	52.83	2.82	2.70	.112	14.31*
1955		2.09	1.41	.75	.98	1.10	1.14	.295	52.33	2.75***	2.20	.116	14.25
1955	Mar.	2.18	1.50	.83	1.10	1.15	1.29	.305	57.00	3.20	2.40	.120	16.32
	Apr.	2.19	1.49	.83	1.10	1.07	1.29	.305	57.00	3.20	2.35	.120	16.08
	May	2.25	1.49	.82	1.10	1.10	1.32	.315	57.00	**	2.40	.115	16.32
	June	2.10	1.52	.69	.88	1.02	1.32	.314	57.00	**	2.30	.115	15.42
	July	2.06	1.52	.66	.87	1.03	1.23	.310	56.00	**	2.25	.115	15.72
	Aug.	2.01	1.38	.66	.89	1.05	.97	.310	52.00	2.80	2.20	.115	14.88
	Sept.	2.00	1.19	.67	.88	1.07	.92	.318	43.00	2.50	1.90	.112	11.28
	Oct.	2.00	1.23	.70	.90	1.13	.89	.292	45.00	2.35	1.92	.113	11.16
	Nov.	1.99	1.23	.68	.88	1.13	.89	.290	44.00	1.90	1.95	.111	10.56
	Dec.	1.99	1.26	.70	.90	1.10	.94	.270	45.00	2.20	1.95	.113	10.26
1956	Jan.	2.01	1.29	.71	.90	1.05	.96	.270	45.00	2.40	2.00	.114	10.26
	Feb.	2.01	1.31	.71	.90	18.0	.98	.280	46.00	2.50	2.05	.114	11.22
	Mar.	2.04	1.32	.70	.89	1.05	1.01	.280	46.00	2.40	2.20	.114	11.22

		All hay	Alfalfa hay	Prairie hay	Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs	Turkeys
1954		22.38	26.71	18.30	13.91*	16.20*	5.82*	19.90*	22.39*	4.32*	.52	.185	.319	.275
1955		22.92	26.90	18.19	14.09*	16.62*	5.59*	18.42*	16.08*	4.42*	.52	.215*	.332	.258
1955	Mar.	26.30	31.00	21.12	15.00*	17.30*	6.30*	20.10*	16.10*	4.40*	.53	.238*	.327	.250
	Apr.	26.00	31.00	20.50	15.00*	17.50	6.30*	20.10	17.10	4.05	.53	.231*	.293	.260
	May	23.90	28.00	19.00	14.50	17.00	6.00*	18.90*	16.90	3.85	.53	.225*	.281	.240
	June	19.60	22.50	15.80	14.80*	17.60*	5.60*	20.90	18.90*	4.00	.51	.226*	.265	.230
	July	19.30	22.50	15.40	14.40	16.70*	5.30*	19.00	17.50*	4.20*	.51	.216*	.268	.220
	Aug.	19.70	23.00	15.70	14.30	16.80	5.10*	18.00	16.40	4.35	.50	.229*	.301	.240
	Sept.	20.20	23.50	16.50	13.90*	16.80*	4.90*	17.40	16.20	4.65*	.51	.229*	.370	.260
	Oct.	20.80	25.00	15.50	13.50*	16.50*	5.00	16.90*	14.90	4.70*	.51	.205*	.377	.290
	Nov.	20.80	24.60	15.70	12.70	15.00*	5.00	16.50*	12.90*	4.80	.51	.198*	.410	.290
	Dec.	21.80	25.40	17.20	12.40	15.00	5.30	15.70*	11.20	4.80	.52	.186*	.462	.290
1956	Jan.	22.40	26.40	17.20	13.20	15.50	5.80	16.40	11.30	4.80*	.52	.186	.425	.270
	Feb.	21.30	24.90	16.50	13.50	16.00	5.80	17.20	12.50	4.75	.53	.193	.368	.260
	Mar.	20.10	23.80	15.00	13.50	16.10	5.50	18.20	12.40	4.60	.53	.191	.334	.260

SOURCE: *Prices Received by Farmers*, Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma, Monthly Releases or *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C.
* Revised. ** Data not available. *** 9 months average.

Table 2.—Index Numbers of Prices Received by Farmers for Oklahoma Farm Products.[1]
(Percent of 1910-14 Average)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghums	Cotton-lint	Cotton-seed	Sweet potatoes	All hay
1954		247	230	180	185	137	187	270	268	230	254
1955		244	217	166	167	128	168	268	267	223***	260
1955	Mar.	253	231	184	187	134	190	270	291	260	298
	Apr.	255	229	184	187	124	190	270	291	260	295
	May	262	229	182	187	129	194	279	291	**	271
	June	244	234	153	149	119	194	278	291	**	222
	July	240	234	147	147	120	181	274	286	**	219
	Aug.	234	212	147	151	122	143	274	266	228	223
	Sept.	233	183	149	149	124	135	281	220	203	229
	Oct.	233	189	156	153	132	131	258	230	191	236
	Nov.	231	189	151	149	132	131	257	225	154	236
	Dec.	231	194	156	153	129	138	239	230	179	247
1956	Jan.	234	198	158	153	122	141	239	230	195	254
	Feb.	234	202	158	153	125	144	248	235	203	241
	Mar.	237	203	156	151	122	149	248	235	195	228

		Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs
1954		288*	271*	125*	341*	318*	224*	223	196	179
1955		292*	278*	122*	316*	228*	229	221	229*	186
1955	Mar.	310*	290*	135*	345*	229*	228*	226	253*	184
	Apr.	310*	293	135*	345	243	210	226	246*	165
	May	300	285	151*	324*	240	199	226	239*	158
	June	306*	295*	122*	359	268*	207	218	240*	149
	July	298	280*	114*	326	249*	218*	218	230*	151
	Aug.	296	281	111*	309	233	225	214	244*	169
	Sept.	288*	281*	105*	299	230	241*	218	244*	208
	Oct.	280*	276*	108	290*	212	243	218	218*	212
	Nov.	263	251*	108	283*	183*	249	218	211*	230
	Dec.	257	251	114	270*	159	249	222	198*	260
1956	Jan.	273	260	124	281	161	249*	222	198	239
	Feb.	280	268	124	295	178	246	226	205	207
	Mar.	280	270	119	312	176	246	226	203	188

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. & M. College, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma and Washington, D. C.
For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics* and *Current Farm Economics*, Okla. Expt. Sta. series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] For the index of purchasing power of a unit of an individual commodity in terms of commodities used in farm production and family living, divide the index of price received by Oklahoma farmers (in this table) by the index of prices paid by United States farmers (in Table 4) for the same month and multiply by 100.

* Revised. ** Data not available. *** 9 months average.

Table 3.—Price Indexes of Groups of Oklahoma Farm Products.
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L. S. products	Meat animals	Dairy products	Chickens and eggs
1954		258*	258	239	269	242	260*	295*	224*	184
1955		253	255	233	268	237	250	274*	224*	198*
1955	Mar.	262	263	244	272	289	259	287	227*	202*
	Apr.	261*	263	245	272	286	258*	291*	221	187*
	May	263*	268	250	280	205	251*	283	217	180*
	June	260	261	236	279	168	257*	295*	214*	174*
	July	255	257	232	276	165	250*	283*	218*	172*
	Aug.	253	254	223	273	224	250*	278	218	189*
	Sept.	253	253	218	275	223	253*	272*	226*	218*
	Oct.	243	242	219	255	225	245	261*	227	214*
	Nov.	238	240	218	253	216	235	241*	228	225*
	Dec.	232*	231	219	238	230	233*	230	231	243*
1956	Jan.	234	232	222	238	240	237	242	231*	228
	Feb.	238	237	222	246	232	239	251	233	206
	Mar.	237	238	225	246	220	236	251	230	192

Purchasing Power Indexes[1] of Groups of Oklahoma Farm Products
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L. S. products	Meat animals	Dairy products	Chickens and eggs
1954		90*	90	84	94	85	91*	104	78	64
1955		89	89	82	94	83	87	96	78	69*
1955	Mar.	91	92	85	95	101	90	100	79	70
	Apr.	91*	92	86	95	100	90*	102*	77	65*
	May	92	94	87	98	72	88*	99	76	63*
	June	91	91	82	97	59	90	103*	75	61*
	July	89	90	81	97	58	87	99*	76	60*
	Aug.	88	89	78	95	78	87	97	76	66*
	Sept.	89	89	77	97	79	89*	96	80*	77*
	Oct.	86	85	77	90	79	86	92*	80	75*
	Nov.	84	85	77	89	76	83	85	80	79*
	Dec.	81	81	77	84	81	82*	81	81	85*
1956	Jan.	83	82	78	84	85	84	86	82*	81
	Feb.	84	84	79	87	82	85	89	83	73
	Mar.	83	84	79	86	77	83	88	81	67

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. & M. College, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in farm living and production. For individual commodities see footnote 1 of Table 2.

* Revised.

* Revised.

Table 4.—Index Numbers in the United States, Index of Demand Deposits in Oklahoma, and Oklahoma Price Ratios.

		United States index numbers of:				Index of demand deposits in Oklahoma[2 3] (1923-25=100)	Oklahoma price ratios[4]			
		Prices received by farmers (1910-14=100)	Prices paid by farmers (1910-14=100)	Wholesale prices (1910-14=100)	Factory payrolls[1] (1947-49=100)		Hog corn	Egg feed	Turkey feed	Milk feed
1951		302	284	262	129.8*	273.1	12.82	10.8	8.0	1.509
1952		288	288	250	136.6*	293.2	10.20	8.9	7.0	1.533*
1953		258	284	247	151.4*	289.3	14.04*	11.2	7.6	1.520
1954		250	286	247	137.7*	289.3	15.15	8.6	7.4	1.479*
1955		238	286	248	152.9	291.3	11.43	9.5	7.4	1.616
1955	Mar.	243*	287	247	145.6	287.2	10.47	8.8	6.8	1.510
	Apr.	247	286	247	146.7	288.8	11.48	8.0	7.1	1.375
	May	244	286	247	150.1*	288.1	11.34	7.6	6.5	1.320
	June	243	287	247	152.1	290.8	12.57	7.3	6.4	1.433
	July	237	286	247	151.0*	292.0	11.78	7.5	6.2	1.545*
	Aug.	233	286	247	154.6	288.3	11.88	8.9	7.1	1.658
	Sept.	235	283*	249	158.7	288.1	13.61	11.3	7.9	1.797*
	Oct.	230	284	249	161.2	289.2	12.11	11.4	8.8	1.847
	Nov.	225	284	249	163.9*	296.7	10.57	12.6	8.9	1.922
	Dec.	223	285	249	163.9	300.8	8.89	14.0	8.8	1.922
1956	Jan.	226	283	252		301.1	8.76	12.9	8.2	1.870*
	Feb.	226	282	252		293.5	9.54	11.0	7.8	1.832
	Mar.	230	285	254			9.39	10.1	7.8	1.784

SOURCE: Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta. from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Unadjusted for seasonal variation.

[2] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[3] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2. Feb.-Apr., 1940. p. 41.

[4] The number of bushels of corn or pounds of feed which one unit of the commodity (100 pounds of hogs, one dozen eggs, one pound of turkeys or milk) will purchase. Prices used are the official A.M.S. estimates of prices received by Oklahoma farmers except for commercial feeds or ingredients which are official A.M.S. estimates of prices paid by Oklahoma farmers. These ratios are computed on the basis of fixed rations and are not directly comparable with ratios computed from other rations. The composition of each ration used is available upon request.

* Revised.

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